

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

Telephone Number:

Refer Reply To:

CC:INTL

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Date:

March 27, 2007

LEGEND

Taxpayer =
Entity A =

Entity B =
Entity C =
Entity D =
Entity E =
Entity F =

Entity G =

Entity H =
Entity I =
Entity J =

Entity K =

Entity L =
Entity M =

Country A =
Country B =
Country C =
Country D =
Country E =
Country F =
Country G =

Country H	=
Country I	=
Country J	=
Country K	=
Country L	=
Country M	=
Date 1	=
Date 2	=

Dear :

This letter supplements the previous letter ruling PLR-148632-03 issued to Taxpayer dated September 28, 2006. Taxpayer submitted additional information on October 12 and 27, 2006, and November 8 and 21, 2006, relating to the filings at issue in that ruling request. In addition, Taxpayer has represented that Entities A, B, C, D, E, F, L and M each has activities in their respective foreign country that constitute a foreign branch within the meaning of Treas. Reg. § 1.367(a)-6T(g).

In view of this additional information and representations, the previous letter ruling is amended as follows:

1. The definition of Tax Year Z in the legend of the ruling letter is amended by replacing Date 1 with Date 2.
2. Tax Year Y, which is listed in the Legend of the letter ruling, is deleted, including any reference to it in the text of the letter ruling.
3. Schedule A, which was attached to and made part of the letter ruling, is amended by deleting the column headed "Tax Year Y" and by changing the cell in row Foreign Branch H, column Tax Year Z from "NA" to "X".
4. Entity M incurred a dual consolidated loss in Tax Year Z. Entity M was omitted from paragraph 4 of the letter ruling and Schedule A and, therefore, paragraph 4 of the letter ruling and Schedule A are amended to include Entity M for Tax Year Z.

Items 5 and 6 below are paragraphs added to the facts of the letter ruling, following the fourth paragraph:

5. Entities G, H, I, and K are disregarded as entities separate from the Taxpayer, and conduct integral business operations outside the United States in foreign countries G, H, I, and K, respectively. Entity J is a domestic subsidiary of Taxpayer, and conducts an integral business operation outside the United States in foreign country J. Thus, these business activities constitute foreign branches within the meaning of Treas. Reg. § 1.367(a)-6T(g), and are

hereinafter referred to as Foreign Branches G, H, I, J, and K. These foreign branches are separate units described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). These foreign branch separate units incurred dual consolidated losses in the tax years indicated on Schedule A that was attached to the letter ruling. However, the election and agreements required by Treas. Reg. § 1.1503-2(g)(2)(i) with respect to these dual consolidated losses were not filed with the consolidated U.S. income tax returns for Tax Years X and Z.

6. Entities A, B, C, D, E, F, and M were partnerships, the interests in which were separate units as described in Treas. Reg. § 1.1503-2(c)(3)(C). Entities A, B, C, D, E, F, and M became, and are currently, disregarded as entities separate from their owners and were, and are currently, hybrid entity separate units as described in Treas. Reg. § 1.1503-2(c)(4). Entity L is a partnership, the interest in which is a separate unit as described in Treas. Reg. § 1.1503-2(c)(3)(C). Entities A, B, C, D, E, F, L and M each conduct integral business activities outside the United States in foreign countries A, B, C, D, E, F, L and M, respectively. Thus, these business activities constitute foreign branches within the meaning of Treas. Reg. § 1.367(a)-6T(g), and are hereinafter referred to as Foreign Branches A, B, C, D, E, F, L and M. These foreign branches are separate units described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). The dual consolidated losses are attributable to Foreign Branches A, B, C, D, E, F, L and M. No dual consolidated losses are attributable to the interests in Entities A, B, C, D, E, F, L and M that are hybrid entity separate units described in Treas. Reg. § 1.1503-2(c)(4).

Because of the amendments made to the previous ruling letter by this supplemental ruling letter, Taxpayer is granted an extension of time of 45 days from the date of this supplemental ruling letter to file the election and agreement described in Treas. Reg. § 1.1503-2(g)(2)(i) in accordance with Schedule A attached to the letter ruling, including the election and agreement with respect to Entity M for Tax Year Z.

Pursuant to Treas. Reg. § 1.1503-2(g)(2)(vi)(C), Taxpayer is not required to file annual certifications under Treas. Reg. § 1.1503-2(g)(2)(vi)(B) with respect to the dual consolidated losses of Foreign Branches A, B, C, D, E, F, G, H, I, J, K, L and M, because these foreign branches are separate units described in Treas. Reg. § 1.1503-2(c)(3)(i)(A). As a result, an extension of time under Treas. Reg. § 301.9100-3 to file annual certifications is inapplicable in this situation.

Taxpayer states that it could not find a copy of Form 8832 with respect to Entity M. Taxpayer believes, however, that the information submitted indicates that Form 8832 was timely filed. We express no opinion as to whether the information submitted establishes that Form 8832 was timely filed.

Sincerely,

Associate Chief Counsel (International)

By: _____
Thomas Beem
Senior Technical Reviewer, CC:INTL:BR4
Office of the Associate Chief Counsel (International)

Enclosure:
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